

**§ 247.2 Governing law.**

Except as otherwise provided by statute or this part, the regulations governing checks drawn on the United States or on designated depositaries of the United States (e.g., 31 CFR parts 235, 240, 245, and 248) are inapplicable to FedSelect checks. As to definitions and other matters not specifically covered in this part, FedSelect checks are governed by Regulation J of the Board of Governors of the Federal Reserve System, 12 CFR part 210 ("Regulation J"), Regulation CC of the Board of Governors of the Federal Reserve System, 12 CFR part 229 ("Regulation CC"), and to the extent not otherwise inconsistent with this part, with Regulation J, and with Regulation CC, FedSelect checks will be governed by the Uniform Commercial Code, as adopted by Illinois ("UCC"), as all three may from time to time be revised. Such matters include, but are not limited to, rules regarding general presentment and transfer warranties, indorsement, and final payment.

**§ 247.3 Definitions.**

For the purpose of this part:

*Agency* means a department, agency, or instrumentality in the executive branch of the United States Government.

*Bank* means an entity described in Regulation CC of the Federal Reserve System, 12 CFR 229.2(e), as may be amended from time to time.

*Department* means the United States Department of the Treasury.

*FedSelect check* means a check drawn upon a Reserve Bank with the designation "FedSelect" printed on the check.

*Payee* means the person to whom a FedSelect check is payable.

*Payor Reserve Bank* means the Reserve Bank on which a FedSelect check is drawn.

*Presenting bank* means a bank which sends a FedSelect check directly to a Reserve Bank for payment or collection.

*Reserve Bank or Federal Reserve Bank* means any one of the twelve Federal Reserve Banks.

**§ 247.4 Federal Reserve Banks.**

(a) Where FedSelect checks are issued on Reserve Bank check stock

and drawn on the payor Reserve Bank in its banking capacity, the payor Reserve Bank shall perform certain functions as fiscal agent of the United States in the issuing, processing and final payment of FedSelect checks. A payor Reserve Bank shall act as fiscal agent of the United States on FedSelect checks only when authorized to do so by a Memorandum of Understanding between the Financial Management Service, U.S. Department of the Treasury (FMS), and the payor Reserve Bank.

(b) As authorized by a Memorandum of Understanding between a payor Reserve Bank and the FMS and in accordance with this part, the payor Reserve Bank shall settle with a presenting bank for the amount specified in a FedSelect check upon presentment of the FedSelect check through normal banking channels. Each payor Reserve Bank may issue operating circulars, letters or bulletins not inconsistent with this part governing details of its handling of payments under this part.

**§ 247.5 Federal agencies and termination of services.**

(a) Agencies may issue FedSelect checks in payment for United States obligations.

(b) Issuance of a FedSelect check by an agency in payment of an obligation shall constitute an agreement between the issuing agency and the FMS. The issuing agency shall adhere to the terms of the agreement, including those relating to fees for services provided by the FMS, as expressed in this part and in the Treasury Financial Manual, Volume I, Part 4, Chapter 3500 (I TFM 4-3500), entitled "Issuance Of FedSelect Checks By Federal Agencies."

(c) In addition to the provisions of this part, agencies issuing FedSelect checks shall adhere to instructions, contained in I TFM 4-3500, regarding items such as procedures for opening and closing FedSelect accounts with the FMS, procedures for the adjustment of agency FedSelect accounts where losses are the responsibility of the agency, procedures for the adjustment of agency FedSelect accounts in